

## **NEW LAWS AFFECTING HOME BUILDERS (2015)**

The following laws affecting home builders were enacted during the 2015 session of the Maryland General Assembly:

**Home Builder Guaranty Fund (Chapter 224):** The bill increases to \$7,500 (from \$5,000) the maximum amount of a claim against the Home Builder Guaranty Fund for which the Consumer Protection Division may issue a Proposed Order without first conducting a hearing. The bill also increases from 30 to 60 days the amount of time a registered home builder has to reimburse the Guaranty Fund after a claim has been paid. The law takes effect **July 1, 2015**.

**Contract for Sale of New Home (Chapter 472):** The bill requires that a contract for the sale of a new home that is contingent upon the purchaser obtaining a written commitment for a loan secured by the property must state the maximum interest rate that the purchaser must accept and the time period within which the purchaser must obtain the written commitment. The bill further provides that, if the purchaser does not obtain the written commitment within the specified time period, (1) the seller may declare the contract void; or (2) with written documentation from a lender evidencing the purchaser's inability to obtain the required loan, the purchaser may declare the contract void. If the contract is declared void and the purchaser has complied with his or her obligations under the contract, the seller shall return to the purchaser any deposit paid. The law takes effect **October 1, 2015**.